

learned a lesson. Instead, they are out there promoting more mergers. I guess those mergers will be promoted with the very money appropriated by the Congress.

Mr. President, the action we have to take now, it seems to me, is to try to find ways to establish some confidence in this country. I have said often that I used to teach a bit of economics in college, briefly. I was able to overcome it. Economics is not a science; it is psychology pumped up with helium, and you can call yourself an economist, but nobody really knows.

The economy in this country is not about dials, gauges, knobs, levers, and all of the things like investment tax credit, depreciation, M-1B, and all those things economists study. It is about confidence. When people are confident in the future, they do things that manifest that confidence. They buy a car, buy a new suit of clothes, take a trip, or maybe buy a house. They do the things that you do when you are confident about your future and your job. That is called economic expansion. It is not sophisticated. It is about how people view the future.

When they view the future with great alarm and less confidence, they do exactly the opposite. They defer the purchase or decide not to buy that suit of clothes or buy that car until next year, or we will not move into that other home or take that trip. That is the way an economy contracts. It is all about confidence.

The question is, what can provide that confidence now? One of the concerns I had about the original bailout was that it did nothing to provide a set of regulations that stops the very behavior that caused all of this. You have to learn from it. It seems to me you have to provide the regulation and say to the American people that we will not let this happen ever again.

So there are a number of things we have to do. Any recovery plan—and I think we need a recovery plan, and some call it a stimulus. I think we need a recovery plan that gives people a sense that we care about whether they have a job. For example, there is discussion about the automobile industry. I don't view this as three companies or one industry. I view it in the context of what do we do to deal with this economy, especially as it relates to jobs. We are told that industry relates to about 3 million to 5 million jobs. That is the connector all the way through the industry. If that is the case, what would it mean if 3 million to 5 million jobs are lost in the next few months, coming from America's manufacturing base? It seems to me it would be devastating to an economy already at great risk.

So the question is, when will we also ask whether we will be willing to support, through a recovery program, the kinds of jobs that we need in this country and willing to support a world-class manufacturing base without seeing that base decimated as the economy

gets weaker? I don't think you will long remain a world economic power unless you have world-class manufacturing capabilities.

When we look at those sectors of the economy that have that capability and then decide, as some suggest, that it doesn't matter who loses their job or gets laid off, well, it sure does matter. It matters to me. If there is all this concern about the financial sector, what about the concern about the job-creating sector in the manufacturing area? I think we need to do a number of things. No. 1, I think we need a stimulus or a recovery plan that would make significant investments. I don't think you do that by just giving people checks. That is not the way forward, in my judgment. I think you do it by putting people to work on public works projects, by investing in roads, bridges, schools, and libraries—the infrastructure needs that have been so long deferred in this country.

All of those projects are ready across this country to be done. It will put people back to work, and give people confidence about the future.

Second, we ought to take action this week so that we say to the Treasury Secretary: If you are going to continue to move money out of that \$700 billion pot, you have to put conditions on it. We don't want the American people to have to read that they are anteing up money so the Treasury Secretary can move it to Wall Street and Wall Street can then pay bonuses in December and January and they can use that in any way they want without conditions that require them to expand lending or any other conditions that ought to be attached to that money. We ought to insist those conditions exist.

Third, we ought to require regulations be put in place as soon as possible to prevent the kind of things that we have seen happen that caused this financial wreck in the first place. Those regulations do not now exist. I know the former Fed Chairman Greenspan said he believed in self-regulation. He sure got a bellyful of self-regulation, and it completely collapsed this economy. We need to put in place a regulatory approach that gives people confidence that this kind of thing is not going to happen again.

We also ought to say to the Treasury Department: Stop the nonsense about more bank mergers. It is the last thing we need. Nor should we want the public money to be used to accommodate more bank mergers. I know some have celebrated the news of bank mergers. Not me. I think it weakens this country, not strengthen it.

I also believe we ought to create immediately an investigative task force of sorts that will begin to investigate and prosecute, if necessary, criminal behavior that was engaged in some of the practices that I described earlier.

All of that, I think, is necessary. I believe if and when we begin doing those kinds of things, we will give, once again, the American people the

confidence about the future that they must have in order for this economy to get back on track.

There is, I know, a lot of discussion about what went wrong, and some might say: You know what, that is pretty irrelevant. It is not irrelevant at all. We are destined to repeat mistakes unless we understand the mistakes we have made. The route out of this circumstance where there is great economic peril to this country and its future, the route ahead, in my judgment, must be an active, aggressive set of actions by the Congress, working with this President and the new President, to understand the urgency of the things I have described.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ECONOMIC CRISIS

Mr. INHOFE. Mr. President, given the recent news about Secretary Paulson's execution of the TARP program, I firmly believe action is required by Congress. This morning, I introduced S. 3683. That is legislation that would do two things. It would freeze remaining money of the first \$300 billion that has not already been expended and, secondly, it would change the process by which Secretary Paulson would access the second \$350 billion.

When Secretary Paulson first came to the Senate and explained his plan, it was on a conference call. I happened to be in on that conference call. It was September 19. At that time, he was talking about the crisis that is upon us, that we have to do something, we have to do something big. It has to be \$700 billion. It has to be done right now. The only way to do it is to buy troubled assets.

At that time, I asked some questions. One question was: If there are assets that are going to be bought, what is the criteria that will be used to determine which assets should be bought? There was not an answer to that question.

The second question was: Which institutions that are holding these assets would be the ones that would be eligible for this buyout? There were no answers to that question either.

That was on a Friday. Then as the next few days went by, we had several conversations. I didn't have any personal conversation with him except in one conference lunch, and that is, Is this the only way to do it? Yes, it is going to be buying out troubled assets. Still the answers were not there to those questions.

In my statement opposing—I voted against the Paulson plan last month—

in my statement opposing it, I laid out three primary reasons I voted no. The first is that I was not convinced that the asset purchase program was the right way to do this. Apparently, he didn't think so either because that is not what he did.

The second is that it would lead to increased lobbying for handouts and bailouts by any industry facing financial trouble. Now we are seeing that. We are seeing the auto industry coming in, some insurance companies and others coming in. It is kind of a new way of life: If you are not successful, don't worry about it because you have the Federal Government there to help you.

The third is that we were handing over, as I read it—and I don't blame Secretary Paulson for this because I suppose if this is what he wanted, somebody else was willing to put it together. He was not the one, I suppose, who drafted it. But it gave one person, in this case Secretary Paulson, the sole authority over \$700 billion.

I have a hard time with big numbers, putting them into perspective that is understandable. But it is my understanding that there are 139 million American families who file tax returns. If you do your math, this would be \$5,000 per family. We are talking about any family out there who files taxes. This is a huge thing. So it does require extraordinary thought in addressing it.

As I stated at the time, my vote was against the Paulson plan, not against taking action to provide necessary confidence in financial markets. I do know and agree that there is a problem out there. I am not convinced that is the way to address it.

We critics were right. On October 14, in a significant shift, Treasury outlined a plan to directly purchase equity stakes in major financial institutions. The Wall Street Journal noted that "critics . . . say Treasury should have formulated a comprehensive plan earlier in the crisis." This past week, Secretary Paulson announced that he has completed a remarkable about-face, as summarized by the November 13 Investors Business Daily front-page headline which read: "Major Reversal, Treasury Won't Buy Bad Mortgage Debt." This is a complete reversal. Why did Paulson reverse course? Last Thursday's Los Angeles Times provides the answer:

Treasury Secretary Henry M. Paulson's decision to abandon plans to buy troubled bank assets shows that he has come to two conclusions about what was once the chief focus of the government's \$700-billion bailout: The first is that it wouldn't work.

That is kind of full circle. This is what we thought at the time, and this is where we are today. I know many have serious concerns about how Secretary Paulson has executed the financial rescue program, and I share those concerns. Congress completely abdicated its responsibility by signing a truly blank check.

If we look at this and if we read it, there is nothing in there that says we

have to do this. Never before in the history of America has anyone—elected or, in this case, unelected—been given a blank check or a check in the amount of \$700 billion to do with as he wishes. It has never happened before. It is unprecedented. But that is exactly what happened.

Now we are faced with a lameduck session. We can do something about resolving this problem now, and that is supporting and passing the legislation I introduced this morning. It is officially introduced. I believe I requested it be sent to the Senate Banking Committee. I am sure there are several there who want to resolve this problem before we recess.

My concern is this: The way it is set up by law, there is \$350 billion already out there, and he has been spending that money. Frankly, I don't know how much has already been spent. There was an article in the Wall Street Journal a couple of days ago that said all but \$60 billion has been spent. That may be true; it may not be true. I have no way of knowing. That alone is enough concern that a senior Member of the Senate doesn't even know how much of the taxpayers' money has been spent or what percentage of the \$350 billion has been spent.

We have a second \$350 billion to make up the \$700 billion that will come, but it is rather nebulous, it is rather vague as to how that would be put into the hands of Secretary Paulson. My interpretation is that he would indicate, yes, we do need to have the second \$350 billion, and if there was not a resolution to stop that, to preclude that from happening, then he would be able to do that.

My concern is that we will stall around and do nothing. We will adjourn and not come back until January. That would give him the opportunity of stating his intention, what he wants to do, and then have 15 days go by when we are not even in session. I think the only way to do this is to do it the way we are planning to do it now; that is, to bite the bullet.

I know it is difficult. It is difficult for members of any body, particularly the Senate. This legislation, as I recall, passed 75 to 24. Those of us who are among the 24, who voted against it, are fine in terms of doing something such as this, but at least a third of those who voted for it would have to say he didn't do what he said he would do, he didn't buy the troubled assets. Therefore, that gives me reason to change. I can't help but think that at least half or even more of those who voted for this legislation would find themselves in that position. When we look at where we are today and see that there is something that can be done, I think it is necessary that we go ahead and do it. One of the things that is going on now—and this bothers me a little bit—is that there is an argument going on right now between some of the committees—the Finance Committee and the Banking Committee—as to who has ju-

risdiction. Then there is a debate as to whether a special inspector general should be appointed, and they have talked about some names. If they do that, confirmation probably would not take place for another couple months. By that time, all the money is gone. So we are sitting around twiddling our thumbs doing nothing. Our last shot to do something is to do something while we are here. This lameduck session, I suspect, is only going to last 3 or 4 days. So we have that length of time to stop this from happening.

If the American people are concerned about this, concerned as I am and as many Members of this body are, that this was done without the consideration it should have had, this amount of money, \$700 billion is out there now in the hands of one person to do with as he wishes, that is not good Government and it needs to be stopped. We can stop it by the passage of the legislation I introduced this morning.

Again, it will do only two things. It will preclude and freeze any further expenditure by the Secretary of the Treasury and, second, it would preclude the second \$350 billion from coming up for consideration. In other words, that would stay in the Treasury. I think this is the only chance we have to get it done. We better do it now or it is going to be too late and we will be out of here and it will be history by the time we come back at the end of January.

With that happy note, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEBB. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CARDIN). Without objection, it is so ordered. The Senator from Virginia is recognized.

#### ATROPHY OF THE BALANCE OF POWERS

Mr. WEBB. Mr. President, in the 2 years since I have been privileged to be in this body, I have spoken frequently about my concerns with respect to the balance of power between the executive branch and the legislative branch and the atrophy of the powers and the influence of the Congress. There are two issues that are before us this week that I think illuminate the dangers of that atrophy.

The first is in respect to the powers we gave to the Secretary of Treasury in our vote at the beginning of October, before we went into recess, as he addressed the issues of the bailout. Many Senators, including myself, wrote letters of concern immediately after this bailout was proposed, noting that it was unprecedented for one individual in the executive branch of Government to be given the broad discretion the present Secretary of the Treasury has been given.